

March 5, 2008

Taiheiyo Cement Company Subsidiary Acquires Union Asphalt as Move to Expand North American Presence

Taiheiyo Cement Corporation ("TCC") announced that California Portland Cement Company ("CPC"), TCC's Glendora, California-based indirect subsidiary, has acquired all the common stock of Union Asphalt, Inc. ("Union Asphalt"). TCC's U.S. subsidiary, Taiheiyo Cement U.S.A., Inc., owns all the common stock of CPC. Union Asphalt is located in California's mid-coastal region where it produces and sells aggregates, ready-mixed concrete and asphalt, as well as operating a construction business.

Objectives

Although CPC owns two cement plants and two cement-import terminals (one terminal is owned in a joint venture with a third party) in California, CPC's presence in the ready-mixed concrete business and other downstream operations are limited to its operations concentrated in the Los Angeles area.

Union Asphalt has established a solid business foundation in the central California coastal region where it operates aggregate, ready-mixed concrete and asphalt businesses. Given the almost prohibitive difficulties of developing new aggregate resources in the area, the abundant aggregate resources that Union Asphalt already has permitted will enhance its position in the local market.

Acquiring Union Asphalt expands CPC's geographical coverage in downstream businesses as well as establishing a more stable base for doing business. Union Asphalt's ready-mixed concrete plants bring with them a customer base with a stable demand for cement which CPC will supply from its Mojave Cement Plant, since Union Asphalt's plants are located within Mojave's cement-delivery area.

Business profile of Union Asphalt

Union Asphalt, based in Santa Maria, California, was founded in 1963. For the fiscal year ending March 2007, Union Asphalt had total sales of \$108 million; shipped approximately 2.1 million tons of aggregate from its three aggregate quarries; manufactured and sold approximately 280,000m³ of concrete from its five ready mix concrete plants; and, manufactured and sold approximately 360,000 tons of asphalt from its two asphalt plants. Additionally, Union Asphalt operates a construction business which generated revenues of about \$28 million. Union Asphalt uses approximately 80,000 tons of cement annually; has assets valued at approximately \$63 million; and, has approximately 270 employees.

Acquisition procedure

CPC acquired all of Union Asphalt's common stock in a merger. CPC established CPC UAI Holdings ("CPC-UAI"), a new, wholly owned subsidiary which was merged into Union Asphalt leaving Union Asphalt as the surviving entity. CPC acquired all shares of Union Asphalt as a result of the merger and the prior shareholders of Union Asphalt received the negotiated value of their shares as of the merger date.

Schedule

CPC's acquisition of Union Asphalt became effective on February 28, 2008. For confidentiality reasons, the acquisition price will not be disclosed.